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Agenda item 14

ADOPTION OF THE REPORT OF THE COMMISSION ON ITS SEVENTEENTH SESSION

Draft report

Addendum

Rapporteur: Andrew G. BANGALI (Sierra Leone)

Chapter ____

STRENGTHENING THE NEGOTIATING CAPACITY OF DEVELOPING COUNTRIES IN THEIR DEALINGS WITH TRANSNATIONAL CORPORATIONS

1. The Commission considered item 10 of its agenda at its 11th and 12th meetings on 17 April 1991. It had before it the report of the Secretary-General on the experience gained in training and the development of human resources (E/C.10/1991/13) and the report of the Secretary-General on the activities of the United Nations Centre on Transnational Corporations and the activities of the joint units established with the regional commissions (E/C.10/1991/15).

2. In his introductory statement, made at the 11th meeting on 17 April, the Deputy Executive Director highlighted the developments and achievements of the training component of the Centre's technical cooperation programme. He emphasized that human resource development was a major objective of the Centre's technical cooperation programme, which aimed at inculcating skills to enhance the indigenous capabilities of host developing country officials in handling issues involving transnational corporations. He reported that during the period under review, the Centre was involved in 30 workshops and seminars in Africa, Latin America, Asia and Central and Eastern Europe. The workshops

dealt with a wide array of subjects, such as the negotiation and drafting of joint ventures, international construction contracts, management contracts, mining and petroleum agreements, transfer of technology agreements, loan agreements and debt restructuring arrangements with transnational banks; foreign investment policies, the economic and legal environment for foreign direct investments, financing of highway construction with foreign investment; control of transfer pricing practices by transnational corporations; accounting with respect to joint ventures; international arbitration with respect to investment disputes; and training of local entrepreneurs to establish linkages with transnational corporations. For illustrative purposes, he cited workshops organized in Nigeria and for the Committee on Finance and Banking of the Association of South-East Asian Nations (ASEAN).

3. The Deputy Executive Director drew the Commission's attention to the training assistance being provided by the Centre to institutions of higher learning and institutes of public administration and management through appropriate training programmes in transnational corporations-related curricula designed for graduate studies in economics, business administration and law. He also reported on the entrepreneurship training programme (EMPRETEC) to promote the creation and growth of innovative small- and medium-sized enterprises using linkages with transnational corporations. That programme, which was being implemented in recognition of the central role of the private sector in development strategies, was being undertaken primarily in Africa and Latin America.

4. Finally, the Deputy Executive Director stressed the role of the Centre's human resource development programme within the priority themes of the United Nations Development Programme during its Fifth Cycle Programme. In conclusion, he expressed the Centre's appreciation to recipient countries that had made part of their UNDP-IPF resources available and to the donor countries that had provided contributions to the Centre's Trust Fund.

5. All the delegations that took part in the discussion expressed support for the Centre's advisory and training assistance. Several delegations whose countries had been the recipients of those services during 1990 cited the assistance provided and the impact on their development. There were also particular references by a number of delegations to the EMPRETEC programme, which had contributed to the development and growth of small- and medium-sized enterprises with linkages to transnational corporations. Other representatives cited the work of the Centre in regional integration efforts, particularly in the African region and in ASEAN. Referring to the ongoing negotiations at the Uruguay Round, one delegation proposed that the Centre should provide further advisory and training assistance to developing countries in the services sector, including communications, publishing, mass media and construction, and assist in the revision of laws and regulations dealing with intellectual property rights. Another delegation suggested that technical assistance focus on the modernization of industrial and agricultural sectors and on the development of capital markets and the insurance industry. Another delegation stressed the importance of the Centre's technical cooperation programme in providing the necessary support to countries in

Central and Eastern Europe in their efforts to re-integrate in the world economy.

6. Referring to document E/C.10/1991/13, one delegation expressed appreciation for the evaluation made of the training programmes of the Centre. It was suggested that more detailed information should be provided in future evaluation and that the Centre should consider the use of external consultants to undertake the evaluation. The same delegation also welcomed the effort to target the poorer developing countries and stated that the technical cooperation programme was the cornerstone of the Centre's activities. Another delegation cited the contribution of the Centre's technical cooperation programme in ensuring lasting relationships between transnational corporations and host developing countries through which well-informed partners tended to negotiate balanced and mutually beneficial arrangements that were, consequently, enduring. He also noted the complementarity and resulting synergy of the vital analytical work and the equally important technical cooperation programme of the Centre.

7. Several delegations emphasized the need for continuous financial support for the Centre's programme of technical cooperation. Recipient countries of the Centre's technical assistance and donor countries called upon other Member States to contribute to the Centre's Trust Fund for Technical Cooperation.

8. The Deputy Executive Director expressed the appreciation of the Centre for the statements made by delegations acknowledging the usefulness of advisory and training services provided by the Centre. He noted the recommendations made by a number of delegations on specific areas in which the Centre could further contribute in the development process and on future evaluation exercises. Lastly, he thanked the donors to the Centre's Trust Fund for their continuous support.

Action taken by the Commission

9. The Commission:

(a) Took note of the report of the Secretary-General on the experience gained in training and the development of human resources (E/C.10/1991/13);

(b) Reaffirmed the importance it attached to the technical cooperation programme of the United Nations Centre on Transnational Corporations;

(c) Requested the Secretary-General to report to the Commission at its eighteenth session on the programme of technical cooperation and to continue to review experiences gained in that programme.